

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 01860 140738Z

21

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-07

FMC-02 INR-07 NSAE-00 SAL-01 CG-00 OFA-01 DLOS-04

AGR-10 /043 W

----- 005537

R 140604Z MAR 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 4031

UNCLAS JIDDA 1860

E.O. 11652: N/A

TAGS: EWWT, SA

SUBJECT: GOVERNMENT TO PAY DEMURRAGE ON FOODSTUFFS

1. THE MINISTERIAL SUPPLY COMMITTEE RECENTLY PASSED A RESOLUTION AUTHORIZING SAG TO PAY THE DEMURRAGE COSTS ON SUBSIDIZED FOODSTUFFS DELAYED IN SAUDI PORTS.

2. SAG WILL PAY AT THE RATE OF 100 PERCENT FOR THE FIRST MONTH, 80 PERCENT FOR THE SECOND MONTH, AND 60 PERCENT FOR THE REMAINING MONTHS. THE RESOLUTION IS RETROACTIVE TO DECEMBER 22, 1975.

3. THE SAG DECISION WAS TAKEN BECAUSE OF THE RECENT SHORTAGE OF FLOUR WHICH LEFT RIYADH WITHOUT BREAD FOR SEVERAL DAYS. LARGE QUANTITIES OF FLOUR WERE AIRLIFTED TO JIDDA AND RIYADH TO INSURE ADEQUATE SUPPLIES.

4. COMMENT: IT IS CURRENTLY ESTIMATED THAT DEMURRAGE COSTS ARE RUNNING AT THE RATE OF \$200 MILLION PER YEAR--A MAJOR COMPONENT IN THE INFLATION WHICH CONSUMERS ARE BEARING.
PORTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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